CHARTER
INVESTMENT & DELIVERY COMMITTEE

1 Introduction

The Investment & Delivery Committee (Committee) is a committee of the Board of Directors (Board) of Hunter Water Corporation (Hunter Water). This Charter sets out the functions delegated by the Board to the Committee and the Committee's objectives, authority and operation.

2 Purpose

The Committee assists the Board in fulfilling its responsibilities in relation to the governance and assurance of Hunter Water's corporate investment portfolio, including expenditure prioritisation and delivery performance.

3 Objectives

In fulfilling its purpose, the Committee's objectives are:

a. To review Hunter Water's short and long term corporate investment portfolio and recommend adoption to the Board as required.
b. To assess and review that management's investment portfolio:
   (1) Is aligned with Hunter Water's Corporate Strategy and risk appetite
   (2) Has considered all relevant investment drivers, risks and opportunities (including those relating to customer, community, stakeholder, economic, climate change, technological, environmental and legal/regulatory).
c. To oversee the systems, policies and processes in place that support good governance of Hunter Water's corporate investment portfolio.
d. To monitor and review the overall health and delivery performance of the corporate investment portfolio, including strategic procurement approach, delivery of investment plans, cost efficiency, and innovation; to optimise total lifecycle cost and realisation of benefits.

4 Authority

The Committee is a sub-committee of the Board and has no executive powers.

The Committee has the authority to directly engage with management, internal auditors, or consultants (including probity advisors), and request reports and information on any relevant Hunter Water activities. It can also obtain independent legal or professional advice, if deemed necessary, at Hunter Water's cost.

5 Duties and responsibilities

In order to fulfil its objectives, the Committee will:

a. Review recommendations made by management and provide advice to the Board on Hunter Water's longer term corporate investment portfolio. This overview would consider:
    i. Major components of likely investment
    ii. Prioritisation and balancing of individual investment items, their associated investment plans and potential inter-connection and/or trade-off between capital and operating expenditure.
    iii. Evaluating investment scenarios against relevant strategic and risk drivers.
    iv. Corporate investment prioritisation

b. Review annual investment budgets and the longer-term investment portfolio, including those prepared for pricing proposals and the Statement of Corporate Intent (SCI), prior to presentation to the full Board.

c. Seek assurance that Hunter Water has effective governance approaches in place to identify and manage risk and opportunity, and address any emerging risks and opportunity, applying to Hunter Water's investment portfolio.

d. Seek assurance that Hunter Water has effective processes for the evaluation of investment items within the business case framework, including:
    i. Option evaluation criteria
    ii. Economic and financial evaluation approaches
    iii. Value engineering
    iv. Lifecycle cost approaches (including efficiencies derived from investments and optimisation of total lifecycle cost).

e. Monitor and review the performance in delivery of the investment portfolio, including:
    i. Market capacity and performance, and seek assurance that Hunter Water has an effective approach to respond to any specific issues/challenges/opportunities in forming its strategic procurement approach; and
    ii. Efficiency and effectiveness of the implementation of investments (time, cost, quality) and realisation of benefits.

f. Consider strategic issues and opportunities as they relate to Hunter Water's corporate investment portfolio and to the broader business.

6 Membership, appointment and term

The Committee will consist of at least two non-executive Directors and the Managing Director.

The term of appointment of each member will be recommended to the Board by the Nominations and Governance Committee. Membership will be re-assessed as required taking into consideration the requirements of all Board Committees and the experience and skills of Board members.

The Committee may invite any other individuals to attend meetings of the Committee, as it considers appropriate.

7 Chair

The Nominations and Governance Committee will appoint a non-executive director to be Chair of the Committee.

8 Committee Coordinator

A senior manager, nominated by the Managing Director and approved by the Chair of the Committee, will be the Committee Coordinator.

The Committee Coordinator, together with the Chair and/or Managing Director, will set the agenda and distribute the business papers at least five days before each meeting, keep the meeting minutes and circulate these within one month of the meeting. Other management personnel may assist the Committee Coordinator in these tasks.

9 Meetings

The Committee will meet at least four times each year as the Chair deems necessary to fulfil its duties. The Chair of the Committee will report to the Board following each Committee meeting.

10 Conflict of Interest

Committee Members must declare their interest, whether perceived, financial or otherwise, in the exercise of their duties under Schedule 10 of the *State Owned Corporation Act 1989* (NSW).

11 Quorum

A quorum requires two Committee members. Meetings can be held in person, by telephone, video conference or a combination of these methods.

12 Assessment

The Committee will review its performance and effectiveness annually, and report to the Board.

13 Review of Committee Charter

The Committee will review this Charter annually, and as needed, recommending any changes to the Board.

DOCUMENT INFORMATION

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2	Laura Hails	Periodic Review	Board of Directors	04/05/22
3	Laura Hails	Periodic and external review	Board of Directors	24/04/24
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Document control

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